CHAPTER 3
Port, Intermodal, and Environmental Activitives

The Port, Intermodal, and Environmental programs of the Maritime Administration (MARAD) are an integral part of the new vision of transportation at the U.S. Department of Transportation. The Marine Transportation System (MTS) initiative that MARAD co-leads continues to be the focus of efforts to accomplish the goals of the Agency and the Department.

The Agency's major activities and programs are designed to assist the marine industry, both public and private, to meet the challenges of moving people and goods. A primary role for MARAD is to assist and promote port, intermodal, and environmental planning and operations.

In fiscal year 2001, the Agency continued to assist in the development of intermodal networks and technology that improve the efficient flow of cargo and reduce transport cost. MARAD's environmental protection program seeks to enhance environmental protection and sustainable development in the U.S. maritime industry. In times of national emergency or contingency, MARAD plans for the use of ports and port facilities and for the priority use and procurement of containers and other intermodal equipment to minimize disruption of inventory distribution.

The principal FY 2001 activities related to the Agency's port, intermodal, and environmental programs are summarized below.

PORTS

Port Facility Conveyance Program

By delegated authority, MARAD conveys Base Realignment and Closures (BRAC) and other surplus Federal real property to public entities for the development or operation of a port facility. The program provides a no-cost means for local entities to acquire property for use as a port facility. The program helps create jobs, revitalize communities negatively impacted by base closures or other Federal action, and increase port capacity.

One port facility conveyance was finalized in FY 2001 for the City of Long Beach, CA. Conveyances have been completed in Richland, WA, and North Kingston, RI. An application filed by the Tri-City Port District, Granite City, IL, is near completion and final deeds are being prepared.

CCDoTT

MARAD entered into cooperative agreements with the U.S. Transportation Command (TRANSCOM) and California State University at Long Beach (CSULB) to assist in managing the Center for the Commercial Deployment of Transportation Technologies (CCDoTT). The CCDoTT program demonstrates existing, emerging, and developing technologies in cargo handling, tagging, tracking, information management systems, and high-speed sealift. These technologies will help the military deploy more quickly, expand the ability of commercial transportation to accommodate surges of military cargo, and minimize commercial transportation disruption.

In FY 2001, CCDoTT demonstrated or advanced a number of concepts or technologies including these: continued evaluation of the trimaran and pentamaran hull forms, evaluation of high-speed waterjet propulsors, evaluation of port inspection technology, continued development and outreach of an agile port system, development of computational fluid dynamics optimization tools, cargo equipment tracking and identification demonstration, continuation of the Pacific rim high-speed ocean freight marketing study, continuation of the high-speed ferry and coastwise vessel study, and evaluation of transportation Internet portals for military deployment application.

Public Port Financing

MARAD continues to maintain an extensive database of U.S. port financial data (covering 1978-2000) that permits in-depth analyses of the port industry. The survey is published in cooperation with the Finance Committee of the American Association of Port Authorities (AAPA) and is updated annually.

Two interesting projects relating to port finance and port profitability have begun. The first, a report titled *"Public Port Financing in the U.S.,"* will examine methods and trends in port financing and include case studies. A public-private partnership among MARAD, AAPA, and the finance community is developing the report, which is scheduled for completion in 2003.

The second project involves statistically analyzing the characteristics of profitable ports in the U.S. Financial data will be examined, as well as various port characteristics, such as type of operation, type of governmental agency, extent of planning, and size of port. Ten years' worth of data will be used, from fiscal years 1991-2000. MARAD will partner with the Bureau of Transportation Statistics (BTS) and AAPA.

Port Capital Expenditures

Deep-Draft

The *United States Port Development Expenditure Report* analyzes the public port industry's capital expenditures for 1999 and

Figure 16: U.S. Port Capital Expenditures for 2000

(Thousands of Dollars)

Region	*Expenditures*	*Percent*
North Atlantic	$223,186	22.0%
South Atlantic	192,567	18.2%
Gulf	233,160	22.0%
South Pacific	263,030	24.9%
North Pacific	130,461	12.3%
Great Lakes	5,046	0.6%
Guam, Saipan	203	less than 0.01%
Total	**$1,057,653**	**100.0%**

Figure 17: U.S. Port Capital Expenditures Projected for 2001–2005

(Thousands of Dollars)

Region	*Expenditures*	*Percent*
North Atlantic	$1,563,764	16.6%
South Atlantic	1,772,685	18.8%
Gulf	1,619,322	17.1%
South Pacific	3,190,488	33.8%
North Pacific	1,203,669	12.8%
Great Lakes	38,575	0.4%
AK, HI, PR, & VI	45,032	0.5%
Total	**$9,433,535**	**100.0%**

projected expenditures for 2000-2004. (see Figures 16 and 17.) Report analysis includes the financing methods used to fund these expenditures. Figures 16 and 17 show the public port industry's capital expenditures for 1999 and projected expenditures for 2000-2004.

Risk Management

In 2001, MARAD updated its *Port Risk Management & Insurance Guidebook*, the result of a partnership between the Agency and the AAPA Finance Committee. It documents how risk management and insurance programs can be effective tools in improving port operations.

Port Readiness

Port readiness supports Department of Defense (DOD) deployment for national security. MARAD continues to monitor the readiness of strategic commercial ports through semi-annual port readiness assessment visits, port readiness exercises, and monthly survey reports that are provided by the commercial ports. Annual port planning orders are issued and necessary revisions are made according to existing port conditions. MARAD continues to work closely with Federal Port Controllers, obtain required security clearances, and maintain secure communication equipment at the commercial ports. MARAD also continued the evaluation of the Incident Command System, and participated in port vulnerability assessments.

Regular meetings of the National Port Readiness Network (NPRN) steering and working groups are held and chaired by MARAD. Nine Federal agencies are members of the NPRN that have responsibilities for supporting the movement of military forces through U.S. ports. On September 10-11, the NPRN held a Strategic Commercial Port Workshop. Efforts have been made to improve deployment coordination, port security, and NPRN initiatives, both at the national and local level.

Port and Cargo Security

MARAD's port and cargo security program aims to provide information that assists ports and other governmental agencies in their efforts to reduce criminal exploitation and ensure secure movement of commercial maritime cargo. Cooperative international seaport security partnerships among Government and private sectors are used to facilitate collaboration with multinational entities such as the Organization of American States (OAS), AAPA, Maritime Security Council, and the International Association of Airport and Seaport Police.

MARAD's program supports improved seaport security measures as a means of constricting access to commercial cargoes by terrorists, drug smugglers, and organized crime groups.

Features of the program include:

- International training (e.g., Inter-American Port Security Training Program in cooperation with the OAS)
- Government/industry partnerships (e.g., an Inter-American seaport security strategy currently under development in collaboration with the OAS)
- Support to strategic planning requirements of the Office of Homeland Security
- Collaboration with the National Drug Intelligence Center regarding the drug smuggling threat to commercial maritime cargo arriving at U.S. seaports
- Participation in the security committees of the MTS National Advisory Council and Interagency Committee
- Research and reports (e.g., *Maritime Security Report*)

Technical Assistance to Foreign Ports

MARAD continues to provide technical assistance to foreign governments for improving harbor and terminal operations, training of employees, and improvement of cargo security.

Training

The Inter-American Port Security Training Program provides port security training courses for commercial port authority police and security personnel, and was developed through the OAS Inter-American Committee on Ports. The 2001 training program consisted of one regional course for Spanish-speaking countries and was conducted in Mexico.

MARAD led a team of experts from the Federal Government and the U.S. port industry in 2000 to assess transportation infrastructure damages in Honduras and Nicaragua caused by Hurricane Mitch. As a result, in 2001, MARAD led the effort to implement a Technology Transfer and Training Program in Honduras and Nicaragua. This program provides an emergency response tool for disasters impacting the transportation infrastructure linked to international ports in Honduras and Nicaragua.

National Port Security Strategy Development

MARAD participated in interagency projects to provide bilateral assistance to governments of the Western Hemisphere. This included assistance to the Government of Jamaica in its development of a national port security strategy, and was established through a memorandum of cooperation signed by the Secretary of Transportation and Jamaica's Minister of Transport. MARAD similarly participated in the Federal interagency Caribbean Third Border Initiative, which was a feature of the 2001 Summit of the Americas.

Inter-American Committee on Ports (CIP)

MARAD serves as the U.S. delegate to the OAS Inter-American Committee on Ports (CIP). The CIP is a permanent inter-American forum of national governmental authorities in port matters for strengthening port cooperation; members of the private sector actively participate in this forum. Meetings of the CIP were held in Costa Rica in September 2001. MARAD is a member of the 15-member Executive Board and serves as a vice chair. Meetings of the Executive Board were held in the Dominican Republic in December 2001.

The CIP Port Training Subcommittee is chaired by MARAD. In 2001, training included port management and port engineering courses (held in Spain) and a port safety and Security course (held in Jamaica).

MARAD also is chair and secretariat of the Technical Advisory Group (TAG) on Port Security. TAG membership consists of port officials from the hemisphere and the private sector, and addresses port security problems in the Western Hemisphere. American companies have been invited to become associate members. The second meeting of the port security TAG was held in the Dominican Republic in December 2001.

Marine Intermodal Freight Transportation/ Intermodal Systems

MARAD has primary Federal responsibility to promote the availability of efficient water transportation service to shippers and consumers, as well as effective intermodal water and land transportation connections.

A pivotal strategic goal in the MARAD strategic plan is Intermodalism: "Improve intermodal transportation system performance by applying advanced technology and innovation." MARAD's success in achieving this goal will be measured by a number of factors, a critical one being the increase of containerized cargo that affects throughput capability.

During FY 2001, MARAD undertook the initiative to annually assess the intermodal access to U.S. ports and marine terminals. For the first time, MARAD sought approval by the Office of Management and Budget (OMB) to survey directly the private deep-draft marine port and terminal industry. Two surveys were approved by the OMB entitled *Intermodal Access to U.S. Ports Survey* and *Intermodal Access to U.S. Marine Terminals Survey*. MARAD's intermodal access surveys are designed to determine critical infrastructure issues that impact the Nation's ports and marine terminals, and assess critical direction based on the annual data analyses from ports and marine terminals. The objective in carrying out the survey is to assess the land and waterside access in DOT as we enter upon the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21), P.L. 105-178. This initiative will enable MARAD to provide substantial input to any consideration of DOT policy, funding, and development of maritime intermodal issues.

MARAD used the annual surveying of the marine port industry, in FY 2001, to address the magnitude of issues that impact the flow of commerce. The response rate from the deep-draft marine port industry was 60 percent. Preliminary analysis shows that a significant percentage of marine ports indicated that, in FY 2001, conditions were below acceptable in traffic flow conditions. Traffic flow at at-grade crossings was also below acceptable. Further impediments were indicated in lack of web-based traffic information, as well as port-specific signage. A full report will be published in the spring of 2002.

MARAD contracted an initial phase of the economic assessment of the U.S. Marine Transportation System (MTS). The full study, as originally designed, would (1) address the relative importance of the MTS and key sectors to the U.S. economy and to each State; (2) provide forecasts of future economic importance and impact for selected years: 2005, 2010, 2015, and 2020; and (3) establish a recurring capability at MARAD to estimate the future economic role of the MTS under baseline and alternative scenario assumptions.

In FY 2001, MARAD received a draft of Part One of Phase I of this initiative. The overall objectives for this phase were to provide policy analysts and decision-makers with detailed information on the economic importance of the MTS and parallel concepts and elements of the Transportation Satellite Accounts

(TSA) developed jointly by the Bureau of Economic Analysis (BEA) and the Bureau of Transportation Statistics (BTS) that provide documentation and findings based on a consistent data set.

The primary conclusion of this study is that the MTS is extraordinarily efficient. All of the MTS enabling functions and more were carried out in 1997 for $83.7 billion, or 1% of U.S. GDP (Gross Domestic Product).

During FY 2001, the Cargo Handling Cooperative Program (CHCP) received funding from and completed the Chassis Tag Location Project under CCDoTT. The project provided the intermodal industry with the first scientific research into placing radio frequency identification tags on chassis.

The CHCP also received funding for the Chassis of the Future Project to address chassis identification, operation, and maintenance. When the current CHCP program has been completed, the results will be to (1) review and report on the state of the art for technology for chassis tags; (2) design and develop chassis for more efficient operations and maintenance; and (3) improve asset movement location through a global positioning/global location system. In addition to the current program, the CHCP is reviewing security applications for container and cargo transportation.

MARAD, in cooperation with CCDoTT and TRANSCOM, continued the development of the Agile Port Concept through a simulation demonstration for ports on the West Coast. The ports involved in the development of the simulation were Seattle, Tacoma, Portland, Oakland, Los Angeles, and Long Beach. FY 2001 saw the continued development of an initiated framework for a cooperative agreement with the Port of Tacoma to demonstrate the Efficient Marine Terminal under the Agile Port Concept. The intermodal terminal demonstration will include an intermodal team consisting of the port authority, labor, a Class One railroad, and either Hanjin or Evergreen.

Work also continued on the framework to complete a regional assessment to demonstrate the Intermodal Interface Center of the Agile Port Concept. The cooperative assessment will include participation by personnel from the ports of Seattle, Tacoma, Portland, CCDoTT, and MARAD.

MARAD continues to participate in the Intermodal Freight Technology Working Group. The Group consists of a public-private partnership to perform business process mapping, technology demonstration, and technology scanning.

MARAD participated in development of the Marine Transportation System Research and Technology Conference, developing and moderating several panels for the conference that highlighted system requirements, training, and labor cost.

In the summer of 2001, MARAD began working with industry leaders to establish an Inland Waterways Intermodal Cooperative Program (IWICP). The primary goal of the project, which is still in its formative stage, is to foster regional development by increasing, through research and development, the productivity of domestic freight transportation companies that use America's inland waterways. It is the aim of the IWICP to actively pursue innovative developments that will increase both productivity and cost effectiveness when using the intermodal advantages of inland water transport. To date, discussions that describe the initiative have been held with key transport industry members and other interested parties.

Basically, the Cooperative hopes to improve the productivity of intermodal cargo movements through a combination of (1) new technology and new methods of cargo handling; (2) innovations in terminal design; (3) new freight identification technology; and (4) a better response capability and flexibility by the inland transport system during times of national emergency.

Departmental Intermodal Initiatives

MARAD continued to participate in the I-95 Corridor Coalition Intermodal Program Track Committee initiatives. The Committee continues to develop strategies and fund projects to improve freight mobility from Maine to Virginia without building additional highways. The Committee has developed a number of action steps including (1) increasing the involvement of leadership within the American Association of State Highway Traffic Officials (AASHTO) and its members; (2) educating a cross-section of mid-level intermodal leaders; and (3) building a working intermodal coalition for the I-95 Corridor.

In FY 2001, MARAD continued its investigation of innovative freight finance mechanisms that could be used to improve and advance marine port and terminal infrastructure. This included coordination and cooperation with DOT's modal administrations to address freight finance in a systems approach. In particular, MARAD was one of the primary coordinators of the departmental conference entitled "Financing Freight Transportation Improvements." MARAD was also instrumental in developing a key industry-driven marine breakout session that developed comprehensive proposals that will be considered for the next surface transportation reauthorization.

MARAD was an active participant in the National Corridor Planning and Development Program (NCPD) and the Coordinated Border Infrastructure Program (CBI) panel selection process. These programs provide funding for planning, project development, construction, and operation of projects that serve border regions near Mexico and Canada and high-priority corridors throughout the United States.

MARAD assisted the Federal Highway Administration (FHWA) by participating in the Freight Analysis Framework initiative that supports the development of strategic network and analytical framework to improve freight productivity and mobility. MARAD advises on intermodal freight issues, such as port capacity and maritime data. The scope of the initiative is to provide the framework for the reauthorization of the Department's Surface Transportation program.

MARAD also participated in an Intelligent Transportation Systems' (ITS) panel for the 2001 ITS America "Best of ITS" Awards.

Internationally, the agency continued to assist the Nigerian Government in its efforts to make container terminals in Nigerian ports more efficient. MARAD arranged for 20 managerial staff members from the Ministry of Transport and the Nigerian Ports Authority to be trained for six weeks in port management at the U.S. Merchant Marine Academy. MARAD also participated in several initiatives with the World Bank to assist in coordinating their efforts to determine how the Nigerian Government can privatize some or all of the operating systems in their seaports.

ENVIRONMENTAL ACTIVITIES

MARAD works collaboratively with other federal agencies, the U.S. maritime industry, and international organizations to develop and implement domestic and international standards, laws, regulations, and procedures to protect the environment and enhance environmental quality and occupational safety and health.

During FY 2001, the Office of Environmental Activities expanded its role in a number of key areas, particularly in the areas of industry support and environmental standards. The three most notable areas were ship disposal, marine energy and clean air emissions, and ballast water management technology.

Industry Support

A significant component of MARAD's environmental program centers on activities supporting the U.S. maritime industry in its efforts to meet environment laws, reduce costs, and become more efficient. Through 2001, the Office of Environmental Activities continued to assist the U.S. shipbuilding and ship repair industry with its efforts to comply with environmental laws and regulations. This activity included establishing and maintaining working relationships with Federal and state regulatory agencies to foster the development of economically and environmentally sound regulatory policies and practices.

In 1999, MARAD, the Environmental Protection Agency (EPA), and the U.S. shipyards worked together to assist the U.S. shipyards in meeting environmental compliance challenges and to assist the EPA in better understanding the shipyard industry. Since the March 1999 MARAD/ EPA/ Shipyard Environmental Forum, EPA and MARAD conducted a workshop for the shipyards on storm water management and assisted in organizing regional forums among shipyards, EPA regional offices, and state environmental agencies to facilitate a multi-level dialog on shipyard environmental challenges and to develop shipyard environmental compliance assistance tools. In addition, EPA adopted the shipyard industry into its Sustainable Industries Program. MARAD remains active in that program through the South Atlantic Regional (SAR) Office.

MARAD participates actively in preparing U.S. positions for the International Maritime Organization (IMO), and its Marine Environment Protection Committee (MEPC). During 2000, MARAD, the U.S. Navy, and Occupational Safety and Health Administration (OSHA) assisted EPA in the development of EPA's report, *A Guide for Ship Scrappers: Tips for Regulatory Compliance*. This regulatory compliance guide provides, among other things, an overview of the ship recycling industry, the ship recycling process, and the U.S. Government ship recycling program. The guide also offers important information on key environmental and worker health and safety requirements for the ship recycling process. During 2001, that guide has served as a significant resource document for both the IMO/MEPC correspondence group on ship recycling and the Conference of the Parties to the Basel Convention in addressing international recycling issues.

As noted above, MARAD is active in interagency working groups and other bodies concerned with national and international measures for controlling (1) air pollution from ships; (2) adverse effects of anti-fouling paints used for ships; and (3) aquatic nuisance species in ships' ballast water. These activities are intended to ensure that the U.S. maritime industry interests are represented and considered.

In 2001, MARAD expanded its efforts to marine energy and air emissions. MARAD launched an initiative to work with Federal, state, and local governments, marine industry, and academic organizations to address marine-related air quality and energy issues. This initiative is a joint effort between the Office of Environmental Activities and the Office of Shipbuilding and Marine Technology. During 2001, MARAD established several public/private partnerships to develop and deploy clean engine, clean fuel, and fuel-cell technologies for shipboard and land-side port operations. The kickoff project, involving the measurement of exhaust emissions and operating perimeters from sister ferries using compressed natural gas and diesel fuel, began in the spring of 2001. Additional projects are now underway.

Further, MARAD actively supports, along with other DOT modal agencies and the Office of the Secretary, the DOT Center for Climate Change and Environmental Forecasting. The Center's goals include (1) supporting the capacity of DOT to address environmental and climate change concerns through an intermodal, transportation systems approach that promotes energy-efficient and sustainable transportation services; (2) enabling the transportation sector to responsibly contribute to national goals and commitments for greenhouse gas reductions; and (3) ensuring that the Nation's transportation systems are prepared to address the potential long-range effects of global climate change. The Center is supported solely by funds and staff contributed by each modal participant. Among its intermodal research and policy analysis projects during 2000/2001, the Center provided funds for a study on highway/ferry integration from the perspective of reducing overall transportation-related emissions to the atmosphere.

MARAD also expanded its involvement in ballast water issues, becoming active in national efforts to speed the introduction of cost-effective ballast water treatment (BWT) technologies and establish rational ballast water management standards. MARAD is a member of the Ballast Water and Shipping Committee of the Aquatic Nuisance Species Task Force and the

working group for the development of ballast water treatment standards. Furthermore, MARAD is working with other Federal agencies and industry to foster a BWT technology test program. During 2001, a BWT system was tested aboard the MARAD Ready Reserve Force (RRF) vessel CAPE MAY in Baltimore, MD. As noted previously, the Agency is also active in discussions at the national and international levels regarding an international instrument to control the introduction of invasive species.

The Agency continues working to advance port-related programs, such as dredging and dredged material management, Federal facility conveyance, economic development, environmental management, and brownfields redevelopment. U.S. ports, because of their unique roles as vital economic engines for U.S. commerce and employment and because of their unique locations in industrial and commercial areas, which are often environmentally sensitive, provide opportunities for important sustainable development. For example, brownfields are frequently located in port areas. Some of these areas may provide opportunities for port redevelopment, expansion, and modernization at considerable economic and environmental advantage to ports and other sectors of the maritime industry, as well as to the local community. Furthermore, dredged material from harbors and channels may be suitable for reclamation of brownfields sites, as well as for numerous other beneficial uses.

Also, MARAD continues to publish its quarterly *Report on Port and Shipping Safety and Environmental Protection* (reports 58-61 during FY 2001). These reports summarize activities at the international and national levels concerning safety and environmental protection matters related to ports and shipping. Of particular importance are the summaries of activities of the IMO. Report copies can be found at the following addresses: www.marad.dot.gov, www.marad.dot.gov/nmrec, and www.socp.org.

The MTS initiative continues to be an active area for addressing environmental issues. MARAD is actively engaged in both the ICMTS and MTS National Advisory Council (MTSNAC) Safety and Environment Subcommittees. The ICMTS Safety and Environment Subcommittee has focused on identifying resource needs and environmental permitting and approval processes that could be streamlined. In addition, the Subcommittee has prepared a draft MTS Safety and Environment Brochure.

MARAD's SAR continues to play an active role in industry environmental support. SAR 2001 activities included (1) co-sponsoring and organizing the 2001 EPA Chemical Emergency Preparedness and Prevention Conference; (2) working with EPA on the Sustainable Industries Initiative for the Shipbuilding and Ship Repair Industry; and (3) participating in activities related to maritime and emerging air and water quality issues.

The Agency is cooperating with the Chamber of Shipping of America to develop, under an EPA grant, an environmental air and water quality management handbook.

Environmental Standards

MARAD continued to expand its support for the development of national and international environmental standards. Because of the international nature of maritime affairs, much of the focus on standards is in the international arena. Facing some of the most stringent requirements in the world, the domestic industry welcomes and actively fosters this approach. Such an approach will help to "level the playing field," thereby improving U.S. industry's international competitiveness.

Internationally, the Agency serves on the International Organization for Standardization (ISO) Technical Committee on Ships and Marine Technology (TC8), where MARAD is the U.S. delegate to the Marine Environmental Protection Subcommittee (SC2) and the convener for the Subcommittee's working group on environmental response. The Subcommittee has completed work on a number of oil spill response standards over the past three years, and has begun to expand its focus to other maritime environmental issues, such as waste segregation and oily water separation.

Environmental Compliance and Compliance Management

MARAD protects the environment by ensuring that its facilities are operated and its programs are conducted in compliance with environmental laws, regulations, orders, and treaties. Since the inception of the internal environmental compliance review program in 1992, MARAD has conducted several rounds of compliance reviews at key Agency facilities. As a result of these reviews, MARAD has taken significant steps toward improving facility environmental compliance and enhancing environmental stewardship. The Agency has continued to (1) reduce the amount of regulated hazardous substances and materials that are used or found at its facilities and aboard its vessels; (2) reduce the quantities of hazardous wastes that are generated by MARAD facilities and vessels; and (3) implement Presidential executive orders dealing with pollution prevention, recycling, and environmental justice.

The Agency also has maintained its efforts to assure that Title XI loan guarantee projects and ship disposal sales are in compliance with applicable environmental requirements.

Of particular note, the Agency's Office of Environmental Activities, as well as regional and field personnel, pursue a multi-disciplined approach to the resolution of environmental issues related to management of obsolete vessels and ship scrapping. Actions include (1) continuing development and implementation of environmental, business, operational, and health and safety requirements for the Technical Compliance Plans (TCPs) submitted by bidders for scrapping of MARAD obsolete ships, and continued review of TCPs submitted by prospective scrappers; (2) monitoring domestic vessel scrapping operations through periodic site visits and regular status reports to assure compliance with the terms of the TCPs; (3) pursuing with other Federal agencies additional measures to improve the ship scrap-

ping process, such as the development and publication by EPA of an environmental and worker health and safety regulatory compliance guidebook for the ship scrapping industry; and (4) providing guidance for minimizing hazardous waste on vessels before the vessels enter the National Defense Reserve Fleet (NDRF).

MARAD is the principal Federal agency charged with the responsibility for the disposal, scrapping, and recycling of obsolete commercial noncombatant ships in the United States. In March 2000, and April 2001, MARAD was represented on the U.S. delegations to the 44th and 46th sessions of the IMO/MEPC in London, which addressed development of international standards for environmentally sound ship scrapping and recycling. In April and October 2000, MARAD was part of the U.S. delegation to the Basel Convention technical working group meetings in Geneva regarding the development of environmental guidelines for ship recycling yards. MARAD has the lead for ship scrapping and recycling on U.S. delegations to meetings of both the IMO/MEPC and the Basel Convention technical working group.

Currently, the IMO/MEPC has an active correspondence group developing a report on various ship recycling issues for the MEPC. The MEPC will likely focus its attention on actions that could be taken by vessel owners/operators prior to sending a ship for recycling and on building ships with fewer hazardous components. In addition, a Basel technical working group has prepared draft environmental guidelines for ship recycling facilities.

With regard to other NDRF and RRF vessels, the Office of Environmental Activities (1) continues to provide guidance for proper disposal of oily waste and hazardous materials from Reduced Operating Status (ROS) vessels of the RRF; (2) is developing a biological assessment concerning MARAD vessel operations in the Atlantic Ocean and the Gulf of Mexico as part of the consultation process with National Oceanic nad Atmospheric Administration (NOAA) under the authority of Section 7 of the Endangered Species Act; (3) is developing a long-range plan to address reducing ship strikes of the Northern Right Whale, thereby increasing the chance of survival of this endangered species; and (4) is revising and updating Agency National Environmental Policy Act (NEPA) documentation. During 2001, MARAD completed the environmental review of the Beaumont Reserve Fleet.

MARAD also continues to fulfill its legal, financial, and technical responsibilities for evaluating and implementing plans and actions involving contaminated sites in California, Massachusetts, and Maryland. Among these sites are former World War II shipyards that performed work on U.S. Government vessels.

Among many MARAD regional environmental activities in 2001, the South Atlantic Region (SAR) received a DOT environmental achievement award for improvements at the SAR and the James River Reserve Fleet. The SAR has developed an Environmental Recognition and Awareness Program to reward employees for outstanding pollution prevention successes and to maintain a constant awareness of environmental issues.

Dredging and Dredged Material Management

MARAD continues to pursue resolution of dredging and dredged material management issues that face many of the Nation's ports and harbors. MARAD is an active participant in the activities of the National Dredging Team (NDT) and Regional Dredging Teams (RDTs). The NDT seeks to facilitate communication, coordination, and resolution of dredging issues among participating federal agencies and to assure that dredging of U.S. harbors and channels is conducted in a timely and cost-effective manner, while ensuring environmental protection. The RDTs seek to resolve regional dredging issues. The NDT is co-chaired by the U.S. Army Corps of Engineers (CORPS) and EPA. In addition to MARAD, other participating agencies are NOAA and the U.S. Fish and Wildlife Service (FWS).

In January 2001, MARAD co-sponsored, with the Corps and EPA, an NDT workshop: "Dredged Material Management: Action Agenda for the Next Decade." Based on the results of this workshop, the NDT has updated its Action Agenda to reflect current trends and needs. The new Action Agenda builds upon past accomplishments and provides a heightened focus on beneficial use of dredged material and a holistic approach to dredged material management. These are some key focus areas:

- Promoting beneficial use of dredged material as a national and local priority, with full support from all levels of government and with increased levels of funding for beneficial uses and research
- Ensuring that sediment management is done in the context of watershed management and that watershed management plans incorporate both private and Federal dredging
- Promoting development of dredged material management plans that address sediment management in the context of overall watershed management, as well as project level sediment management techniques
- Improving the dredging and dredged material management decision process with respect to emerging issues such as essential fish habitat consultations, environmental window considerations, application of total maximum daily load designations, and consistency determinations under the Coastal Zone Management Act
- Strengthening the nine RDTs and encouraging establishment of additional RDTs in order to improve dredged material management by fostering communication and planning, providing a forum for conflict resolution, and increasing public education and community involvement

The NDT has established liaison on dredging issues with the MTSNAC and the Federal Interagency Committee for the Interagency Committee for the MTS (ICMTS) and participates in the activities of these bodies, including regional dialogue meetings. Today, many agencies are cooperatively addressing the issues of sediment management and beneficial use of dredged material within the watershed context.